

Message Text

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43

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 AID-05 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06

CIEP-02 LAB-04 SIL-01 OMB-01 /110 W

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R 141308Z OCT 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3894

INFO AMEMBASSY ABU DHABI

AMEMBASSY MANAMA

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DOHA

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

AMEMBASSY KABUL

AMEMBASSY KUWAIT

AMEMBASSY MUSCAT

USDOC WASHDC

USINT BEGHADAD

AMEMBASSY LONDON

UNCLAS TEHRAN 10048

EO 11652: NA

TAGS: BEXP, EIND, IR

SUB: ANTI-PROFITEERING DRIVE: PRIME MINISTER HOVEYDA SPEAKS ON
IRANIAN ECONOMY

REF: TEHRAN 9332 AND PREVIOUS

1. ADDRESSING THE CLOSING SESSION OF THE TWO-DAY IRAN/UNITED
KINGDOM FINANCIAL CONFERENCE ON OCTOBER 12, 1975, THE PRIME
MINISTER TOLD HIS LISTENERS THAT IRAN'S ECONOMY "WAS NOT,
AND I REPEAT NOT A SOCIALIST ECONOMY BUT-RATHER A MIXED
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ECONOMY WITH A VERY PRONOUNCED SOCIAL CONSCIENCE." BY WAY

OF ILLUSTRATING THIS SOCIAL CONSCIOUSNESS, HE OBSERVED THAT IRAN'S PROFIT-SHARING LAW AND THE RECENT DECREES TO EXPAND THE OWNERSHIP OF INDUSTRY WERE DESIGNED TO AVOID THE "SOCIAL BIPOLARIZATION" WHICH NOW PLAGUES INDUSTRIAL RELATIONS IN MANY EUROPEAN ECONOMIES. "LABOR WILL BE GIVEN A GENEROUS SHARE IN INDUSTRY," HE SAID, THUS "INCREASING THE WORKERS SENSE OF PARTICIPATION AND IDENTIFICATION WITH THE NATION'S PROSPERITY." (NOTE: MINISTER OF ECONOMIC AFFAIRS AND FINANCE AND FINANCIAL AFFAIRS ANSARY'S ANNOUNCEMENT FOLLOWING DAY ON MAXIMUM PERMISSABLE FOREIGN EQUITY HOLDINGS IN JOINT VENTURE COMPANIES IS BEING REPORTED VIA SEPTEL.) EMPHASIZING THAT IRAN'S "COMMITMENT TO A MIXED ECONOMY WILL NEVER CHANGE," HE OBSERVED THAT THE COUNTRY'S DEVELOPMENT PLANS ASSUME CLOSE COOPERATION BETWEEN THE PUBLIC AND PRIVATE SECTORS. A VERY SUBSTANTIAL ROLE IN THE CURRENT FIVE-YEAR PLAN IS RESERVED FOR THE PRIVATE SECTOR, HE SAID, INCLUDING INVOLVEMENT IN TRADITIONALLY PUBLIC SECTOR PRESERVES ONCE THE GOVERNMENT HAS LAID DOWN THE PRIMARY PROCESSING STAGES. THE PUBLIC AND PRIVATE SECTORS CONSTITUTE "THE GRAFTING TOGETHER OF TWO VIGOROUS TREES WHICH HAVE PRODUCED A BOUNTIFUL HARVEST."

2. TURNING TO THE THEME OF CORRUPTION AND THE GOVERNMENT'S ANTI-PROFITEERING DRIVE, THE PRIME MINISTER DREW A SHARP DISTINCTION BETWEEN "PROFITS" AND "PROFITEERING." HE SAID THAT BUSINESSMEN IN IRAN CAN EXPECT TO MAKE "VERY CONSIDERABLE PROFITS" BUT THAT UNJUSTIFIABLE EXHORBITANT PRICES, WHICH FUEL INFLATION AND DAMAGE ALL SECTORS OF ECONOMY, "CANNOT BE PERMITTED."

3. REFERRING TO RECENT DISCUSSIONS IN THE U.S. OF UNETHICAL PAYMENTS BY SOME MULTI-NATIONAL CORPORATIONS, PRIME MINISTER SAID THAT SUCH UNETHICAL BEHAVIOR "ABSOLUTELY HAS NO PLACE IN OUR COUNTRY." IRAN, HE SAID, HAS ALREADY INTRODUCED MEASURES WITHIN THE COUNTRY AND HAS PROPOSED RESOLUTIONS IN THE UNITED NATIONS AIMED AT "PUTTING AN END TO SUCH PRACTICES."
HELMS

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